



Dr. Beyers Naudé

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**DRAFT BUDGET  
2024/25 – 2026/27**

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# **PART 1 – ANNUAL BUDGET**

## **1.1 MAYOR'S REPORT**

To be included in final budget.

## 1.2 COUNCIL RESOLUTIONS

The mayor recommends that the Council resolves that:

- 1 The annual budget of the Dr Beyers Naude Municipality for the financial year 2024/25 and the indicative allocations for the projected outer years 2025/26 and 2026/27; and the multi-year and single year capital appropriations be approved for the purpose of complying with section 24 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, as set-out in the following tables:
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- 2 The budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:
  - 2.1 Budgeted Financial Position – Schedule A6
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  - 2.5 Basic service delivery measurement – Schedule A10
- 3 The service tariffs and property rates be increased as per the tariffs schedule with effect from 1 July 2024.
- 4 The indicative tariffs for 2024/2025 to 2026/2027 be increased as follows:

	2024/2025	2025/2026	2026/2027
Property rates	0%	4.6%	4.5%
Water	4.9%	4.6%	4.5%
Sanitation	4.9%	4.6%	4.5%
Refuse	4.9%	4.6%	4.5%
Electricity	10.85%	10.95%	10.92%

- 5 That the detailed capital budget as per Annexure C be approved
- 6 That the tariffs, fees, and charges as reflected on the tariff list, in terms of Section 30 (2) and (4) of the Local Government: Municipal Structures Act, Act No: 117 of 1998 (as amended), read with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, be approved with effect 1 July 2024.

- 7 That the following reviewed budget related policies be approved:
- (a) Credit control and debt collection
  - (b) Tariff policy
  - (c) Supply Chain Management Policy
  - (d) Asset management policy
  - (e) Cash management, banking & investment policy
  - (f) Budget policy
  - (g) Virement policy
  - (h) Funding and reserve policy
  - (i) Borrowing policy
  - (j) Indigent support policy
  - (k) Rates Policy
  - (l) Contract Management Policy
  - (m) Unauthorised, Fruitless & Wasteful and Irregular Expenditure policy
  - (n) Rewards, gifts, and favours policy
  - (o) Inventory management policy
  - (p) Transport and fleet management policy
  - (q) Cost containment policy
  - (r) Long term financial planning policy
- 8 That the following reviewed by-laws be approved
- (a) Tariff by-law
  - (b) Credit control and debt collection by-law
  - (c) Rates by-law

### 1.3 EXECUTIVE SUMMARY

The key service delivery priorities, as outlined in the IDP, informed the development of the Budget, including the need to maintain and improve the Municipality's financial sustainability.

Furthermore, cost containment measures are being implemented to curb costs and to improve operational efficiency.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98, 99, 107, 108, 115, 122, 123, 124, 127 and 128 were used to guide the compilation of the 2024/25 Medium Term Revenue and Expenditure Framework (MTREF).

The Municipality faced the following significant challenges during the compilation of the 2024/25. MTREF:

- Maintaining revenue collection rates at the targeted levels.
- Maintaining electricity and water losses at acceptable levels.
- Fully implementing cost containment measures.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure; and
- Maintaining an acceptable cost coverage ratio.
- Drought conditions currently faced by the municipality and surrounding areas.

The following budgeting principles and guidelines directly informed the compilation of the 2024/25. MTREF:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs.
- The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
- The need to enhance the municipality's revenue base.
- Implementation of the cost containment regulations.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.

In view of the, the following table represents an overview of the 2024/25 Medium-term Revenue and Expenditure Framework:

**Table 1 (Overview of the 2024/25 MTREF)**

	Current Year	2024/25 Medium Term Revenue and Expenditure		
	Adjusted Budget 2023/24 R	Budget Year 2024/25 R	Budget Year +1 2025/26 R	Budget Year +2 2026/27 R
Total Revenue	609 116 917.86	590 603 583.85	637 768 003.39	668 071 063.52
Total Expenditure	645 348 995.35	653 780 715.35	683 854 628.25	715 311 941.15
Surplus/(Deficit)	(36 232 077.49)	(63 177 131.50)	(46 086 624.87)	(47 240 877.63)
Capital Expenditure	74 070 299.00	88 974 454.47	29 957 654.00	13 752 000.00

The municipality is showing an operational deficit, and the budget remains unfunded, when we consider the current outstanding debtors' and creditors' balances. As it stands, agreements have been entered into with some creditors, but the full Eskom balance remains payable immediately, until such a time as an agreement is signed.

However, MFMA circular 124 has highlighted the Municipal Debt Relief that is conditional, and application based, has therefore been sanctioned where Eskom will write-off all debt municipalities owe as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption).

The municipality applied in September 2023 and was approved as from December 2023. The municipality is assessed monthly for compliance with MFMA circular 124. Upon meeting all the conditions, a compliance certificate is issued by National Treasury to the municipality as well as Eskom.

There are various reporting compliance requirements that have been proclaimed through the MFMA circulars 124, 127 and 128. The municipality has included these reporting requirements in the monthly s71 and quarterly s52 reports.

There is a general increase in revenue, as result of tariff increases and continued implementation of cost reflective tariffs. The revenue is also affected negatively by the impact of the ongoing drought and loadshedding which cuts across all services as most depend on electricity.

Total operating revenue has decreased by 3% or R19 million for the 2024/25 financial year, compared to the 2023/24 Adjustments Budget. This decrease is becoming a trend as it was 6% (R33 million) in 2023/24 and is evident of the dire economic conditions the country is under.

The municipality completed investigations into cost of supply and a baseline tariff was established for each service in 2019 to 2022. Thorough investigations were also concluded on electricity tariffs, the effect of the wheeling agreement with Eskom and management has completed physical verification of bulk consumer meters. The intention of the physical verification was to ensure that all possible tampering is identified for these users, correct meters are installed and are functional and to ensure that each user is linked to the correct tariff. A lot of work has been performed and the project is expected to continue into the 2024/25 financial year.

For the two outer years, operational revenue increases by 8% and 5% respectively.

Total operating expenditure for the 2024/25 financial year amounts to R653 million, resulting in a budgeted operating deficit of R63 million. Compared to the 2023/24 Adjustments Budget, operational expenditure increased by R8 million (1%). The municipality is currently struggling financially, and cost containment measures are implemented. Cost containment measures include a monthly curb on overtime, acting allowances, and travel expenses. It also includes the stopping of non-essential procurement.

For the two outer years, operational expenditure increases by 4% and 4% respectively. The 2024/25 and 2025/26 budgets reflect operating deficits of R46 million and R47 million respectively.

The major operating expenditure items for 2024/25 are remuneration (council and employees) (31%), bulk electricity purchases (20%), interest paid (11%) depreciation (10%), Repairs and Maintenance (7%) and other expenditure (13%).

Funding for the 2024/25 Operating Budget is funded from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection (53%), property rates (9%), grants and subsidies received from National and Provincial Governments (32%).

To fund the 2024/25 Operating Budget, the following increases in property rates and service charges will be affected with effect from 1 July 2024:

Property rates:	Increase with 0%
Water:	Increase with 4.9%
Refuse:	Increase with 4.9%
Sewerage:	Increase with 4.9%
Sanitation:	Increase with 4.9%
Electricity:	Electricity tariff will increase with 10.85%. Please note that the increase is subject to approval by NERSA and this percentage may vary towards the final adopted budget.

The municipality has conducted a cost of supply study on all tariffs in 2019 to 2022. The study revealed that all the services are currently being rendered at below cost which puts enormous strain on the cash flow of the municipality. It was therefore imperative that these tariffs be changed to include baseline tariffs. Due to the poor economic conditions, revenue and tariffs could not be increased with more than the proposed 4.9% by National Treasury.

The original capital budget of R88.9 million for 2024/25 is R16million or 21% higher than the 2023/24 Adjustments Budget, this is due to more internally funded projects for 2024/25. The Capital Budget over the MTREF will be mainly funded from government grants and subsidies, as limited internal funding is available. Capital expenditure for 2024/25 will amount to R88.9 million.

The budget provides for assistance to the poor and includes the following social package:

- Water – 6 kl free
- Electricity – 50 kwh free
- Refuse – 100% of monthly cost free.
- Sanitation – 100% of monthly cost free
- Property Rates- 100% of assessed rates.

All budget related policies have been reviewed and workshopped with top management. The policies were workshopped with councillors. The policies will also be subjected to public participation. There are no significant changes to the policies, and the minor changes will be presented to council before final approval of this budget.

## 1.4 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of vital importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with the MFMA, expenditure must be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard.
- Tariff Policies.
- Property Rates Policy.
- Indigent Policy and provision of free basic services.
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to consider the maintenance and replacement of infrastructure, including the expansion of services.
- Determining fully cost reflective tariffs for trading services.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Efficient revenue management, targeting a 95% annual collection rate for property rates and service charges.
- Impact of loadshedding on municipal service delivery.

The following table is a summary of the 2024/25 MTREF (classified by main revenue source):

**Table 2 (Summary of main revenue sources)**

**0 - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	110 962	126 955	117 665	141 120	142 179	142 179	99 631	130 531	136 536	142 817
Service charges - Water	2	37 872	44 979	40 609	40 832	56 426	56 426	43 354	49 075	51 332	53 693
Service charges - Waste Water Management	2	25 260	26 869	33 259	59 557	71 016	71 016	48 562	70 369	64 609	67 581
Service charges - Waste Management	2	30 473	32 227	26 624	6 686	41 588	41 588	26 755	36 163	37 827	39 567
Sale of Goods and Rendering of Services		1 043	720	1 133	2 819	2 153	2 153	693	2 153	2 252	2 355
Agency services		2 197	1 918	1 857	6 134	5 841	5 841	2 099	5 841	6 109	6 390
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3 788	4 120	8 533	4 481	13 234	13 234	10 365	13 234	13 843	14 479
Interest earned from Current and Non Current Assets		169	308	646	616	1 196	1 196	754	1 196	1 251	1 309
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		811	1 225	2 217	3 727	2 127	2 127	694	2 127	2 224	2 327
Licence and permits		1 108	963	895	1 144	964	964	641	964	1 009	1 055
Operational Revenue		2 386	6 728	7 971	8 557	8 453	8 453	17 240	8 453	8 842	9 248
<b>Non-Exchange Revenue</b>											
Property rates	2	36 899	40 403	42 323	45 043	51 761	51 761	47 845	51 761	54 142	56 632
Surcharges and Taxes		3 889	4 345	14 638	4 176	10 033	10 033	6 995	7 936	9 489	9 796
Fines, penalties and forfeits		80	728	534	720	94	94	33	94	98	102
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		122 764	106 712	117 261	125 659	123 639	123 639	118 574	130 772	134 610	143 864
Interest		1 367	1 531	2 366	1 865	2 661	2 661	1 983	2 661	2 784	2 912
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>381 066</b>	<b>400 729</b>	<b>418 531</b>	<b>453 136</b>	<b>533 363</b>	<b>533 363</b>	<b>426 217</b>	<b>513 329</b>	<b>526 955</b>	<b>554 128</b>

In the 2024/25 financial year, property rates and service charges amount to R362.6 million increases to R379.2 million and R396.7 million in the 2024/25 and 2025/26 financial years, respectively.

The following continued efforts to increase the revenue base were introduced in 2019 to 2023:

- Implementation of cost reflective tariffs after a cost of supply study was conducted.
- Implementation of drought tariff
- Introduction of environmental levy
- Introduction of the fire services levy
- Implementation of quarterly reconciliation of valuation roll to billing schedule.
- Implementation of NERSA compliant cost of supply study for electricity business

The following efforts to increase the revenue base will be introduced in 2024:

- Implementation of a new valuation roll with increased market values.

The service charges as stated above are the main source of funding for the municipality with a contribution of R310.8 million or 53% of the total budget. The individual service contribution to service charges is as follows:

- Electricity 57%
- Water 17%
- Refuse 3%
- Sanitation 23%

The following table provides a breakdown of the various operating grants and subsidies allocated to the Municipality over the medium term:

<b>DORA GRANTS</b>							<b>2024/25</b>	<b>2025/2026</b>	<b>2026/2027</b>
<b>Operational grants</b>									
Equitable share							121 571 000	126 403 000	130 353 000
Local Government Financial Management Grant							3 000 000	3 000 000	3 000 000
Expanded Public Works Programme Integrated Grant for Municipalities							1 359 000	-	-
<b>Infrastructure grants</b>									
Municipal Infrastructure Grant							23 477 000	24 443 000	26 242 000
Integrated National Electrification Programme (Municipal) Grant							-	13 200 000	11 293 000
Water Services Infrastructure Grant							20 200 000	29 227 000	35 000 000
Municipal Disaster Recovery Grant							5 005 000	5 005 000	-
<b>Indirect grants (Allocations in kind)</b>									
Integrated National Electrification Programme (Eskom) Grant							-	365 000	5 669 000
Regional Bulk Infrastructure Grant							-	-	-
							<b>174 612 000</b>	<b>201 643 000</b>	<b>211 557 000</b>
<b>SBDM GRANTS</b>									
Fire services subsidy							2 201 000	2 201 000	2 201 000
Environmental affairs subsidy							2 020 000	2 020 000	2 020 000
<b>Department of sports, recreation, arts and culture</b>									
Library subsidy							2 308 000	2 308 000	2 308 000
<b>Other grants</b>									
SETA							333 120	333 120	333 120
							<b>6 862 120</b>	<b>6 862 120</b>	<b>6 862 120</b>
<b>TOTAL</b>							<b>181 474 120</b>	<b>208 505 120</b>	<b>218 419 120</b>

### 1.4.1 Property Rates

The following provisions in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
- Indigents receives 100% subsidy on the rates levied for the year.

The property rates tariff is standardised to ensure all owners in a category pays the same rate in all the towns in the municipality's jurisdiction. The prescribed ratio is applied.

The property rates increase is influenced by the following:

- Employee related costs increased by 4.9%.
- Providing for debt impairment.
- Increasing the revenue to ensure non-profit divisions are properly subsidised,

The valuation roll has been implemented from 1 July 2019. This valuation roll will expire at the end of the 2023/2024 financial year. The new general valuation roll will be implemented in the 2024/25 financial year, as from 1 July 2024.

### 1.4.2 Sale of Water and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98, 99, 107,108, 115, 122, 123, 124, 127 and 128:

Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion.
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that water tariffs are fully cost reflective by 2014/15. In this regard a cost of supply study was conducted, and the new baseline tariff will be introduced as the first step tariff. Dr Beyers Naude is a municipality which was formed through the amalgamation of 3 former municipalities. As a result of the amalgamation the municipality is also faced with trying to standardise tariffs within the different towns. A further cost of supply study has been done and is being introduced in the 2024/25 financial year and will be gradually phased-in over the MTREF.

The prevailing drought makes it difficult to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.

Ongoing accurate monitoring and reporting of municipal Non-Revenue Water (NRW) and water loss performance against set targets and baselines has become more critical. The municipality is currently monitoring water losses monthly but are faced with a huge number of metres that are faulty. This contributes to the inaccurate billing and collection of water tariffs. Grant funding has been received to conduct a study on all faulty metres and areas of water losses. The project started during the 2017/18

financial year and was completed in the 2019/20 financial year. The replacement of meters commenced in 2021/22 and was completed in 2022/23. The impact of the project was minimal due to drought. The tariff will be increased with 4.9% from 1 July 2024. The proposed tariff increase is mainly influenced by the following:

- Employee related costs
- Repairs and maintenance of water infrastructure
- Providing for debt impairment.
- Implementation of cost reflective tariffs
- The prevailing drought

The water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate. The drought tariff will also be implemented during the time of drought as currently experienced.

#### **1.4.3 Sale of Electricity and Impact of Tariff Increases**

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2024, NERSA approved tariff increases of 12.72 per cent in 2024/25. Considering the Eskom tariff increase, the Municipality's consumer tariffs will be increased by 10.85% in line to the cost of supply study to offset the additional electricity bulk purchase costs as from 1 July 2024.

The tariff increases are mainly influenced by the following:

- Employee related costs
- The cost of bulk electricity purchases
- Repairs and maintenance of electricity infrastructure
- Providing for debt impairment
- Implementing cost reflective tariffs

The population of the municipality is stagnant and minimal growth is expected over the MTREF. It is thus estimated that the revenue will only grow with percentage of price increases.

The proposed electricity tariff increases, still require approval by NERSA.

#### **1.4.4 Sanitation and Impact of Tariff Increases**

In accordance with National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98, 99, 107, 108, 115, 122, 123, 124, 127 and 128:

Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion.
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective by 2014/15. In this regard the municipality conducted a cost of supply study to determine a new baseline tariff that was introduced in 2019/20. Dr Beyers Naude is a municipality which was formed through the amalgamation of 3 former municipalities. As a result of the amalgamation the municipality is also faced with trying to standardise tariffs within the different towns. The tariff policy of the municipality makes provision to phase in the standardised tariffs over a period of 3 years.

As a result, the tariff will increase of 4.9% as from 1 July 2024. The tariff increase is mainly influenced by the following:

- Employee related costs
- Repairs and maintenance of sanitation infrastructure
- Providing for debt impairment
- Implementing cost reflective tariffs

#### 1.4.5 Refuse Collection and Impact of Tariff Increases

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective by 2014/15. The tariffs should consider the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites.

The revenue generated from refuse collection is not sufficient to ensure proper service delivery. The municipality is facing challenges with regards to infrastructure, fleet, and tools. The tariff increases by 4.9% for refuse collection and will thus be implemented as described above.

The proposed tariff increase is mainly influenced by the following:

- Employee related costs
- Implementation of environmental levy
- Providing for debt impairment
- Provision for landfill sites.
- Tariff not cost reflective.

#### 1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2024/25 budget and MTREF is informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA.
- A balanced budget approach by limiting operating expenditure to the operating revenue.

The following table is a high-level summary of the 2024/25 budget and MTREF (classified per main type of operating expenditure):

**Table 4 (Summary of operating expenditure by standard classification item)**

0 - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
<b>Expenditure</b>											
Employee related costs	2	166 740	165 336	165 857	184 072	191 893	191 893	119 958	191 893	200 720	209 954
Remuneration of councillors		10 102	9 067	9 416	9 276	10 255	10 255	6 786	10 255	10 727	11 220
Bulk purchases - electricity	2	99 082	115 746	112 711	130 815	133 107	133 107	89 320	133 107	139 229	145 634
Inventory consumed	8	5 018	3 617	3 913	5 582	4 753	4 753	2 079	4 753	4 972	5 201
Debt impairment	3	-	-	-	8 969	8 969	8 969	-	18 300	22 141	23 160
Depreciation and amortisation		56 633	64 708	66 714	65 308	65 308	65 308	45 581	65 308	68 313	71 455
Interest		22 132	29 682	57 371	10 452	72 387	72 387	36 917	72 387	75 717	79 200
Contracted services		12 324	28 016	28 802	19 285	26 376	26 376	12 357	25 856	27 046	28 290
Transfers and subsidies		18	20	22	150	150	150	120	150	157	164
Irrecoverable debts written off		45 440	67 946	85 275	4 829	4 829	4 829	-	4 829	5 051	5 284
Operational costs		107 319	91 845	87 041	115 560	136 290	136 290	74 168	136 273	142 541	149 098
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>524 808</b>	<b>575 982</b>	<b>617 122</b>	<b>554 298</b>	<b>654 318</b>	<b>654 318</b>	<b>387 288</b>	<b>663 113</b>	<b>696 615</b>	<b>728 660</b>

The total operating expenditure increased by R12.2million (2%) from R532 million in 2022/23 to R544 million in 2024/25. Below is a discussion of the main expenditure components.

### **Employee related costs**

The 2024/25 budget has general increase of 4.9%. This is based on the average CPI for the MTREF as per MFMA budget circular no 128. The total budget provision of R191.2 million has been allocated for the 2024/25 financial year.

Employee related costs in the 2024/25 Budget, represent 29% of the total operating expenditure.

### **Remuneration of Councillors**

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs, in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in preparing the budget.

### **Debt Impairment**

The provision for debt impairment was determined based on a targeted annual collection rate of 95%.

While this expenditure represents a non-cash flow item, it is considered in determining the total costs associated with the rendering of municipal services and the realistically anticipated revenues.

### **Depreciation and Asset Impairment**

It is anticipated that depreciation will increase over the MTREF. The total cost of R65.3 million is allocated to the 2024/25 financial year.

### **Finance Charges**

Finance charges consist primarily of the repayment of interest on outstanding trade creditors. The municipality is currently facing severe cash flow problems and is unable to pay creditors within the 30 days as required by legislation.

### **Bulk Electricity Purchases**

The bulk purchases of electricity are budgeted at R131million in 2024/25.

NERSA has approved a 12.72% increase in the Eskom bulk tariff for the 2024/25 financial year. The impact of loadshedding has affected the bulk purchases negatively.

### **Repairs and Maintenance**

Repairs and maintenance for 2024/25 amounts to R48.9 million and equates to 7% of the total operating expenditure. The municipality anticipates increasing this amount over the MTREF as an improvement in revenue is noted.

Per National Treasury circular number 71 of 2014 on uniform Financial Ratios and Norms, Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value) for the 2024/25 budget is 3%.

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services. The norm is 8%.

A ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets. An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicate that the Municipality is experiencing cash flow problems and therefore unable to spend at appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

### **Contracted Services**

In the 2024/25 financial year, the budget provision amounts to R18.8 million and equates to 3% of the total operating expenditure.

### **Transfers and Subsidies**

In the 2024/25 financial year, the budget provision amounts to R30 thousand and includes transfers to the local SPCA.

### **Other Expenditure**

Other expenditure comprises of various line items relating to the daily operations of the municipality. The expenditure is R102 million in 2024/25 and equates to 16% of the total operating expenditure.

Other expenditure is made up of general expenses – other and vehicle expenses.

#### **1.5.1 Priority relating to repairs and maintenance.**

The repairs and maintenance expenditure in the 2024/25 financial year is R48.9 million, compared to 2023/24 (R41.5 million) an increase of R7.4 million because of the maintaining of Repairs and maintenance plans.

In relation to the total operating expenditure, repairs and maintenance constitutes 7% for the 2024/25 financial year and 7% for the 2024/25 and 7% for the 2024/25 financial years, respectively.

#### **1.5.2 Free Basic Services: Indigent Support**

The indigent support assists indigent households that have limited financial ability to pay for municipal services. To qualify for free services, the households are required to register in terms of the Municipality's Indigent Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the indigent support of the registered indigent households is financed by national government through the local government equitable share allocation, received in terms of the annual Division of Revenue Act.

## 1.6 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 6 (2022/23 Medium-term capital budget per vote)**

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1										
<b>Single-year expenditure to be appropriated</b>	2										
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	40	-	-
Vote 10 - CORPORATE SERVICES: ADMINISTRN (32: CAPEX)		-	-	-	-	-	-	-	320	-	-
Vote 11 - CORPORATE SERVICES: COMM SERV (33: CAPEX)		-	-	-	10 904	14 020	14 020	5 816	9 250	-	-
Vote 12 - CORPORATE SERVICES: PROTECTION (34: CAPEX)		-	-	-	-	-	-	1 302	1 140	-	-
Vote 13 - FINANCIAL SERVICES (36: CAPEX)		-	-	-	370	410	410	217	3 730	3 180	3 200
Vote 14 - TECHNICAL SERVICES: ENGINEERING (38: CAPEX)		-	-	-	59 259	58 715	58 715	30 058	56 380	18 428	-
Vote 15 - TECHNICAL SERVICES: ELECTRICAL (39: CAPEX)		-	-	-	3 517	3 517	3 517	2 916	18 114	8 350	10 552
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19: IE)		-	-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES: ADMINISTRN (32: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES: COMM SERV (33: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 12 - CORPORATE SERVICES: PROTECTION (34: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 13 - FINANCIAL SERVICES (36: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 14 - TECHNICAL SERVICES: ENGINEERING (38: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 15 - TECHNICAL SERVICES: ELECTRICAL (39: CAPEX)		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	<b>74 050</b>	<b>76 661</b>	<b>76 661</b>	<b>40 308</b>	<b>88 974</b>	<b>29 958</b>	<b>13 752</b>
<b>Total Capital Expenditure - Vote</b>		-	-	-	<b>74 050</b>	<b>76 661</b>	<b>76 661</b>	<b>40 308</b>	<b>88 974</b>	<b>29 958</b>	<b>13 752</b>

Of the total amount of R88.9million for 2024/25, an amount of R74.4 million has been budgeted for the development of infrastructure, which represents 84% of the total capital budget.

## CAPITAL PROJECTS

DESCRIPTION	FUND DESCRIPT	REGION DESCRIP	AREA DESCRIPTION	BRANCH DESCRIP	Budget 2024/2025
Upgrading plant, filters and equipment	Water Services Ir	Whole of the Muni	TECHNICAL SERVICE	WATER SERVICE	2 000 000.00
Upgrading of Streets and Storm Water in Dr. Beyers Naude	Municipal Infrast	Whole of the Muni	TECHNICAL SERVICE	PUBL WORKS: STOF	1 597 000.64
UPGRADING OF JANSENVILLE SPORT STADIUM	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	PARKS RECREATIO	1 250 000.00
Upgrading of existing cemeteries	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	CEMETERIES	5 000 000.00
Upgrading of Electrical Infrastructure	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	ELECTRICITY DISTRI	2 400 000.00
Upgrade stores building	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	MUNICIPAL BUILDIN	70 000.00
Traffic control equipment	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	TRAFFIC CONTROL	25 000.00
Street Light Fittings	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	ELECTRICITY DISTRI	300 000.00
Steytlerville: New Proposed Solid Waste Site	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	REFUSE REM WAST	1 000 000.00
Standby Transformers	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	ELECTRICITY DISTRI	2 500 000.00
Standby Sewage Pumps	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	SEWERAGE SERVIC	432 600.00
Standby Borehole Pumps	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	WATER SERVICE	693 000.00
Stanby Generators	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	ELECTRICITY DISTRI	4 738 000.00
Small Plant: Weedeaters, chain saw, hedge cutters, blowwers	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	REFUSE REM WAST	250 000.00
Skips - Fencing	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	REFUSE REM WAST	1 000 000.00
Skips	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	REFUSE REM WAST	500 000.00
SERVER ROOM BACKUP WILLOWMORE WITH AIRCON, UPS, F	Transfer from Op	Whole of the Muni	FINANCIAL SERVICES	INFORMATION TEC	2 000 000.00
Safety Equipment	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	ELECTRICITY DISTRI	300 000.00
Road block trailers	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	FIRE BRIGADE	180 000.00
Replacing old Valves and Hydrants to reduce water losses due	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	WATER SERVICE	420 000.00
Replacement and Installation of new bulk meters to increase rev	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	WATER SERVICE	360 500.00
Purchase of tools to ensure daily service delivery	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	WATER SERVICE	230 000.00
Purchase of standby pumps and generators to prevent water s	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	WATER SERVICE	850 000.00
Purchase new tools ( 4 x small generators; 5 x drilling machine	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	ELECTRICITY DISTRI	323 400.00
PROCUREMENT OF CCTV EQUIPMENT	Transfer from Op	Administrative or F	CORPORATE SERVIC	LIBRARIES	250 000.00
Office equipment	Local Governmer	Administrative or F	FINANCIAL SERVICES	DIRECTOR: FINANC	50 000.00
Office chairs	Local Governmer	Administrative or F	FINANCIAL SERVICES	DIRECTOR: FINANC	30 000.00
Motorcycle testing equipment	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	TRAFFIC CONTROL	200 000.00
Laptops	Transfer from Op	Administrative or F	MUNICIPAL MANAGE	OFFICE OF THE MUN	30 000.00
Laptops	Transfer from Op	Administrative or F	TECHNICAL SERVICE	WATER SERVICE	100 000.00
Laptop computers	Local Governmer	Administrative or F	FINANCIAL SERVICES	INFORMATION TEC	300 000.00
Laptop	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	ELECTRICITY DISTRI	34 000.00
Jetting machine	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	PUBL WORKS: STOF	570 000.00
IT equipment	Transfer from Op	Administrative or F	FINANCIAL SERVICES	INFORMATION TEC	400 000.00
Installation of fence to ensure safety and security at Grt WWTV	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	SEWERAGE SERVIC	8 660 000.00
Installation / New High Mast Lights	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	STREET LIGHTING	4 308 000.00
Install new water wise toilet cisterns	Water Services Ir	Whole of the Muni	TECHNICAL SERVICE	SEWERAGE SERVIC	18 427 654.00
Ground Water Study and Exploration Drilling for New Wellfield	Municipal Infrast	Ward 8	TECHNICAL SERVICE	WATER SERVICE	10 377 353.83
Graaff Reinet Upgrading of Streets	Municipal Infrast	Whole of the Muni	TECHNICAL SERVICE	PUBL WORKS: STRE	11 572 346.00
Fire Equipment	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	FIRE BRIGADE	165 000.00
Fire arms	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	TRAFFIC CONTROL	200 000.00
Fire arm safes	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	FIRE BRIGADE	50 000.00
ELECTRONIC METERING DEVICES	Local Governmer	Administrative or F	FINANCIAL SERVICES	INFORMATION TEC	350 000.00
Electrical powered equipment	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	FIRE BRIGADE	80 000.00
Desktop computers	Local Governmer	Administrative or F	FINANCIAL SERVICES	INFORMATION TEC	70 000.00
Crane truck	Transfer from Op	Administrative or F	TECHNICAL SERVICE	ELECTRICITY DISTRI	1 980 000.00
Compacters x2	Transfer from Op	Whole of the Muni	TECHNICAL SERVICE	PUBL WORKS: STRE	75 000.00
Cherry Picker	Transfer from Op	Administrative or F	TECHNICAL SERVICE	ELECTRICITY DISTRI	1 200 000.00
Chairs	Transfer from Op	Administrative or F	MUNICIPAL MANAGE	OFFICE OF THE MUN	10 000.00
Chainsaws - fire	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	FIRE BRIGADE	120 000.00
Chain saws, jig saws, brush cutters	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	PARKS RECREATIO	250 000.00
CCTV for buildings	Transfer from Op	Whole of the Muni	CORPORATE SERVIC	TRAFFIC CONTROL	120 000.00
Buildings refurbishment	Transfer from Op	Administrative or F	FINANCIAL SERVICES	DIRECTOR: FINANC	500 000.00
Airconditioner - Robert Sobukwe Building	Transfer from Op	Ward 2	TECHNICAL SERVICE	DIRECTOR: TECHN	15 000.00
Airconditioner - Main Substation	Transfer from Op	Ward 2	TECHNICAL SERVICE	ELECTRICITY DISTRI	30 600.00
Air Conditioner - BTO	Local Governmer	Administrative or F	FINANCIAL SERVICES	DIRECTOR: FINANC	30 000.00
					<b>88 974 454.47</b>

## 1.7 ANNUAL BUDGET TABLES

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2024/25 Budget and MTREF to be considered for approval by Council.

0 - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	36 899	40 403	42 323	45 043	51 761	51 761	47 845	51 761	54 142	56 632
Service charges	204 567	231 029	218 157	248 196	311 209	311 209	218 302	286 139	290 303	303 657
Investment revenue	169	308	646	616	1 196	1 196	754	1 196	1 251	1 309
Transfer and subsidies - Operational	122 764	106 712	117 261	125 659	123 639	123 639	118 574	130 772	134 610	143 864
Other own revenue	16 668	22 277	40 144	33 622	45 558	45 558	40 743	43 462	46 649	48 666
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>381 066</b>	<b>400 729</b>	<b>418 531</b>	<b>453 136</b>	<b>533 363</b>	<b>533 363</b>	<b>426 217</b>	<b>513 329</b>	<b>526 955</b>	<b>554 128</b>
Employee costs	166 740	165 336	165 857	184 072	191 893	191 893	119 958	191 893	200 720	209 954
Remuneration of councillors	10 102	9 067	9 416	9 276	10 255	10 255	6 786	10 255	10 727	11 220
Depreciation and amortisation	56 633	64 708	66 714	65 308	65 308	65 308	45 581	65 308	68 313	71 455
Interest	22 132	29 682	57 371	10 452	72 387	72 387	36 917	72 387	75 717	79 200
Inventory consumed and bulk purchases	104 100	119 362	116 624	136 396	137 860	137 860	91 399	137 860	144 201	150 835
Transfers and subsidies	18	20	22	150	150	150	120	150	157	164
Other expenditure	165 083	187 807	201 118	148 643	176 464	176 464	86 525	185 259	196 780	205 832
<b>Total Expenditure</b>	<b>524 808</b>	<b>575 982</b>	<b>617 122</b>	<b>554 298</b>	<b>654 318</b>	<b>654 318</b>	<b>387 288</b>	<b>663 113</b>	<b>696 615</b>	<b>728 660</b>
<b>Surplus/(Deficit)</b>	<b>(143 742)</b>	<b>(175 253)</b>	<b>(198 591)</b>	<b>(101 162)</b>	<b>(120 954)</b>	<b>(120 954)</b>	<b>38 929</b>	<b>(149 783)</b>	<b>(169 661)</b>	<b>(174 532)</b>
Transfers and subsidies - capital (monetary allocations)	36 829	67 371	72 996	74 871	75 753	75 753	39 815	52 204	75 591	77 101
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 745</b>	<b>(97 580)</b>	<b>(94 069)</b>	<b>(97 431)</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 745</b>	<b>(97 580)</b>	<b>(94 069)</b>	<b>(97 431)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	-	-	-	-	-	-	-	-	-	-
<b>Financial position</b>										
Total current assets	17 792	(9 850)	(16 693)	49 525	50 009	50 009	221 515	62 643	6 349	(34 907)
Total non current assets	1 149 536	1 100 250	1 114 778	1 114 966	1 132 105	1 132 105	1 110 586	1 136 497	1 097 691	1 039 989
Total current liabilities	358 667	444 811	583 893	523 463	685 709	685 709	739 502	703 362	702 331	700 802
Total non current liabilities	71 360	73 623	80 629	73 623	80 629	80 629	73 128	77 414	77 414	77 414
Community wealth/Equity	816 270	701 535	586 572	567 406	415 777	415 777	459 783	418 365	324 296	226 867
<b>Cash flows</b>										
Net cash from (used) operating	(271 744)	(223 751)	119 775	58 621	11 323	11 323	199 035	221 067	(16 580)	(14 594)
Net cash from (used) investing	-	(14)	(14 429)	(74 050)	-	-	7 418	(88 974)	(29 958)	(13 752)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(275 009)</b>	<b>(218 700)</b>	<b>109 111</b>	<b>(14 505)</b>	<b>12 319</b>	<b>12 319</b>	<b>207 449</b>	<b>1 323</b>	<b>(45 215)</b>	<b>(73 561)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	2 634	1 318	12 205	(39 034)	(56 690)	(56 690)	39 128	(124 939)	(194 713)	(249 147)
Application of cash and investments	356 135	481 052	632 722	459 726	605 384	605 384	677 969	387 217	509 160	492 680
<b>Balance - surplus (shortfall)</b>	<b>(353 502)</b>	<b>(479 733)</b>	<b>(620 516)</b>	<b>(498 761)</b>	<b>(662 075)</b>	<b>(662 075)</b>	<b>(638 841)</b>	<b>(512 156)</b>	<b>(703 873)</b>	<b>(741 827)</b>
<b>Asset management</b>										
Asset register summary (WDV)	1 083 485	1 071 234	1 023 693	1 086 166	1 033 470	1 033 470		1 005 097	966 242	908 039
Depreciation	56 633	64 708	66 714	65 308	65 308	65 308		65 308	68 313	71 455
Renewal and Upgrading of Existing Assets	-	-	-	29 292	24 342	24 342		43 560	18 928	500
Repairs and Maintenance	40 891	24 229	21 456	41 152	48 226	48 226		48 226	50 444	52 764
<b>Free services</b>										
Cost of Free Basic Services provided	684	-	34 668	46 525	27 949	27 949		25 739	25 421	26 591
Revenue cost of free services provided	2 309	-	3 309	7 041	(221)	(221)		(221)	(231)	(242)
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-		-	-	-
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

**0 - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>	1									
<b>Governance and administration</b>		76 000	160 710	154 339	142 983	176 691	176 691	185 414	194 530	201 461
Executive and council		6 734	36	10	162	162	162	162	170	177
Finance and administration		69 266	160 674	154 329	142 821	176 529	176 529	185 252	194 361	201 284
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		17 397	3 475	6 929	10 341	6 512	6 512	6 512	6 605	6 701
Community and social services		14 419	2 453	2 457	2 456	2 451	2 451	2 451	2 457	2 464
Sport and recreation		57	85	68	63	63	63	63	65	68
Public safety		1 908	936	4 405	5 802	3 999	3 999	3 999	4 082	4 168
Housing		4	1	-	-	-	-	-	-	-
Health		1 010	-	-	2 020	-	-	-	-	-
<b>Economic and environmental services</b>		30 492	33 926	38 246	34 361	34 292	34 292	35 889	35 988	38 419
Planning and development		1 858	1 774	4 000	2 513	3 519	3 519	5 509	4 324	4 624
Road transport		28 634	32 152	34 246	31 847	30 774	30 774	30 380	31 663	33 794
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		293 950	269 899	291 679	340 267	391 565	391 565	337 662	365 366	384 588
Energy sources		125 549	126 984	117 736	141 424	142 744	142 744	131 096	150 692	161 027
Water management		81 950	83 807	96 525	99 415	116 312	116 312	81 286	94 130	97 472
Waste water management		42 069	26 881	42 954	70 303	83 769	83 769	82 897	76 211	79 717
Waste management		44 382	32 227	34 463	29 126	48 740	48 740	42 383	44 332	46 372
<b>Other</b>	4	57	89	334	55	55	55	55	58	61
<b>Total Revenue - Functional</b>	2	<b>417 896</b>	<b>468 100</b>	<b>491 526</b>	<b>528 007</b>	<b>609 116</b>	<b>609 116</b>	<b>565 533</b>	<b>602 546</b>	<b>631 229</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		147 627	187 261	182 248	148 512	228 498	228 498	228 913	239 443	250 458
Executive and council		27 126	34 056	33 397	30 791	32 939	32 939	32 899	34 412	35 995
Finance and administration		119 529	152 064	147 682	116 291	194 129	194 129	194 584	203 535	212 897
Internal audit		972	1 141	1 168	1 431	1 431	1 431	1 431	1 497	1 565
<b>Community and public safety</b>		37 122	36 860	37 926	42 570	41 076	41 076	41 076	42 966	44 942
Community and social services		5 837	5 574	4 980	7 211	7 785	7 785	7 785	8 144	8 518
Sport and recreation		20 296	20 647	20 865	22 111	21 104	21 104	21 104	22 075	23 090
Public safety		7 185	8 036	9 214	9 451	9 310	9 310	9 310	9 738	10 186
Housing		-	126	141	262	262	262	262	274	287
Health		3 804	2 477	2 726	3 535	2 615	2 615	2 615	2 735	2 861
<b>Economic and environmental services</b>		43 625	45 857	52 332	56 524	55 567	55 567	55 590	58 147	60 822
Planning and development		16 303	18 203	24 623	21 718	21 482	21 482	21 505	22 494	23 529
Road transport		27 322	27 653	27 708	34 806	34 085	34 085	34 085	35 653	37 293
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		293 882	302 445	342 395	304 452	326 639	326 639	334 996	353 405	369 661
Energy sources		127 552	148 179	137 246	167 735	169 483	169 483	173 366	181 341	189 682
Water management		66 577	87 895	91 943	68 905	75 830	75 830	78 281	81 881	85 648
Waste water management		78 958	33 012	64 150	44 781	54 140	54 140	54 356	59 855	62 609
Waste management		20 796	33 359	49 056	23 031	27 186	27 186	28 994	30 327	31 722
<b>Other</b>	4	2 551	3 559	2 222	2 241	2 538	2 538	2 538	2 654	2 776
<b>Total Expenditure - Functional</b>	3	<b>524 808</b>	<b>575 982</b>	<b>617 122</b>	<b>554 298</b>	<b>654 318</b>	<b>654 318</b>	<b>663 113</b>	<b>696 615</b>	<b>728 660</b>
<b>Surplus/(Deficit) for the year</b>		<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>(97 580)</b>	<b>(94 069)</b>	<b>(97 431)</b>







0 - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	110 962	126 955	117 665	141 120	142 179	142 179	99 631	130 531	136 536	142 817
Service charges - Water	2	37 872	44 979	40 609	40 832	56 426	56 426	43 354	49 075	51 332	53 693
Service charges - Waste Water Management	2	25 260	26 869	33 259	59 557	71 016	71 016	48 562	70 369	64 609	67 581
Service charges - Waste Management	2	30 473	32 227	26 624	6 686	41 588	41 588	26 755	36 163	37 827	39 567
Sale of Goods and Rendering of Services		1 043	720	1 133	2 819	2 153	2 153	693	2 153	2 252	2 355
Agency services		2 197	1 918	1 857	6 134	5 841	5 841	2 099	5 841	6 109	6 390
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3 788	4 120	8 533	4 481	13 234	13 234	10 365	13 234	13 843	14 479
Interest earned from Current and Non Current Assets		169	308	646	616	1 196	1 196	754	1 196	1 251	1 309
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		811	1 225	2 217	3 727	2 127	2 127	694	2 127	2 224	2 327
Licence and permits		1 108	963	895	1 144	964	964	641	964	1 009	1 055
Operational Revenue		2 386	6 728	7 971	8 557	8 453	8 453	17 240	8 453	8 842	9 248
<b>Non-Exchange Revenue</b>											
Property rates	2	36 899	40 403	42 323	45 043	51 761	51 761	47 845	51 761	54 142	56 632
Surcharges and Taxes		3 889	4 345	14 638	4 176	10 033	10 033	6 995	7 936	9 489	9 796
Fines, penalties and forfeits		80	728	534	720	94	94	33	94	98	102
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		122 764	106 712	117 261	125 659	123 639	123 639	118 574	130 772	134 610	143 864
Interest		1 367	1 531	2 366	1 865	2 661	2 661	1 983	2 661	2 784	2 912
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>381 066</b>	<b>400 729</b>	<b>418 531</b>	<b>453 136</b>	<b>533 363</b>	<b>533 363</b>	<b>426 217</b>	<b>513 329</b>	<b>526 955</b>	<b>554 128</b>
<b>Expenditure</b>											
Employee related costs	2	166 740	165 336	165 857	184 072	191 893	191 893	119 958	191 893	200 720	209 954
Remuneration of councillors		10 102	9 067	9 416	9 276	10 255	10 255	6 786	10 255	10 727	11 220
Bulk purchases - electricity	2	99 082	115 746	112 711	130 815	133 107	133 107	89 320	133 107	139 229	145 634
Inventory consumed	8	5 018	3 617	3 913	5 582	4 753	4 753	2 079	4 753	4 972	5 201
Debt impairment	3	-	-	-	8 969	8 969	8 969	-	18 300	22 141	23 160
Depreciation and amortisation		56 633	64 708	66 714	65 308	65 308	65 308	45 581	65 308	68 313	71 455
Interest		22 132	29 682	57 371	10 452	72 387	72 387	36 917	72 387	75 717	79 200
Contracted services		12 324	28 016	28 802	19 285	26 376	26 376	12 357	25 856	27 046	28 290
Transfers and subsidies		18	20	22	150	150	150	120	150	157	164
Irrecoverable debts written off		45 440	67 946	85 275	4 829	4 829	4 829	-	4 829	5 051	5 284
Operational costs		107 319	91 845	87 041	115 560	136 290	136 290	74 168	136 273	142 541	149 098
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>524 808</b>	<b>575 982</b>	<b>617 122</b>	<b>554 298</b>	<b>654 318</b>	<b>654 318</b>	<b>387 288</b>	<b>663 113</b>	<b>696 615</b>	<b>728 660</b>
<b>Surplus/(Deficit)</b>		<b>(143 742)</b>	<b>(175 253)</b>	<b>(198 591)</b>	<b>(101 162)</b>	<b>(120 954)</b>	<b>(120 954)</b>	<b>38 929</b>	<b>(149 783)</b>	<b>(169 661)</b>	<b>(174 532)</b>
Transfers and subsidies - capital (monetary allocations)	6	36 829	67 371	72 996	74 871	75 753	75 753	39 815	52 204	75 591	77 101
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 745</b>	<b>(97 580)</b>	<b>(94 069)</b>	<b>(97 431)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 745</b>	<b>(97 580)</b>	<b>(94 069)</b>	<b>(97 431)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 745</b>	<b>(97 580)</b>	<b>(94 069)</b>	<b>(97 431)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 745</b>	<b>(97 580)</b>	<b>(94 069)</b>	<b>(97 431)</b>



0 - Table A6 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		2 634	1 318	12 205	(39 034)	(56 690)	(56 690)	39 128	(124 939)	(194 713)	(249 147)
Trade and other receivables from exchange transactions	1	8 677	9 383	(192)	8 952	5 610	5 610	58 804	61 102	74 010	87 041
Receivables from non-exchange transactions	1	19	19	(622)	26 396	32 160	32 160	46 237	54 049	55 873	57 782
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	6 140	4 589	4 955	4 589	4 955	4 955	11 213	9 402	9 402	9 402
VAT		-	(25 661)	(33 569)	48 156	63 445	63 445	65 466	64 338	63 085	61 324
Other current assets		321	501	529	467	529	529	667	(1 309)	(1 309)	(1 309)
<b>Total current assets</b>		<b>17 792</b>	<b>(9 850)</b>	<b>(16 693)</b>	<b>49 525</b>	<b>50 009</b>	<b>50 009</b>	<b>221 515</b>	<b>62 643</b>	<b>6 349</b>	<b>(34 907)</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		66 298	27 659	27 659 111.00	26 124	26 083	26 083	24 984	25 230	27 602	27 602
Property, plant and equipment	3	1 071 366	1 069 002	1 083 571	1 077 744	1 094 924	1 094 924	1 073 909	1 099 718	1 058 992	1 001 289
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		11 098	11 098	11 098	11 098	11 098	11 098	11 098	11 098	11 098	11 098
Intangible assets		31	0	0	0	0	0	0	0	0	0
Trade and other receivables from exchange transactions		-	(35)	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		(49)	(1 535)	(1 576)	-	-	-	-	-	-	-
Other non-current assets		793	(5 939)	(5 974)	-	-	-	595	451	-	-
<b>Total non current assets</b>		<b>1 149 536</b>	<b>1 100 250</b>	<b>1 114 778</b>	<b>1 114 966</b>	<b>1 132 105</b>	<b>1 132 105</b>	<b>1 110 586</b>	<b>1 136 497</b>	<b>1 097 691</b>	<b>1 039 989</b>
<b>TOTAL ASSETS</b>		<b>1 167 328</b>	<b>1 090 400</b>	<b>1 098 085</b>	<b>1 164 491</b>	<b>1 182 114</b>	<b>1 182 114</b>	<b>1 332 100</b>	<b>1 199 140</b>	<b>1 104 040</b>	<b>1 005 082</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		3 577	3 820	3 905	3 820	3 905	3 905	5 102	3 935	3 935	3 935
Trade and other payables from exchange transactions	4	353 996	481 633	632 054	481 704	634 799	634 799	672 694	638 714	638 714	638 714
Trade and other payables from non-exchange transactions	5	2 052	-	-	-	-	-	18 893	13 269	13 269	13 269
Provision		8 875	7 514	11 380	12 279	13 437	13 437	13 189	13 225	13 225	13 225
VAT		(9 832)	(48 156)	(63 445)	25 661	33 569	33 569	29 624	34 219	33 188	31 659
Other current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>358 667</b>	<b>444 811</b>	<b>583 893</b>	<b>523 463</b>	<b>685 709</b>	<b>685 709</b>	<b>739 502</b>	<b>703 362</b>	<b>702 331</b>	<b>700 802</b>
<b>Non current liabilities</b>											
Financial liabilities	6	10 241	7 608	10 969	7 608	10 969	10 969	3 468	7 755	7 755	7 755
Provision	7	30 247	36 365	41 407	36 365	41 407	41 407	41 407	41 407	41 407	41 407
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		30 872	29 650	28 253	29 650	28 253	28 253	28 253	28 253	28 253	28 253
<b>Total non current liabilities</b>		<b>71 360</b>	<b>73 623</b>	<b>80 629</b>	<b>73 623</b>	<b>80 629</b>	<b>80 629</b>	<b>73 128</b>	<b>77 414</b>	<b>77 414</b>	<b>77 414</b>
<b>TOTAL LIABILITIES</b>		<b>430 027</b>	<b>518 433</b>	<b>664 522</b>	<b>597 086</b>	<b>766 338</b>	<b>766 338</b>	<b>812 630</b>	<b>780 776</b>	<b>779 745</b>	<b>778 216</b>
<b>NET ASSETS</b>		<b>737 301</b>	<b>571 967</b>	<b>433 563</b>	<b>567 405</b>	<b>415 776</b>	<b>415 776</b>	<b>519 471</b>	<b>418 364</b>	<b>324 296</b>	<b>226 866</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	803 678	688 493	573 530	554 364	402 735	402 735	446 741	405 323	311 254	213 825
Reserves and funds	9	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>816 720</b>	<b>701 535</b>	<b>586 572</b>	<b>567 406</b>	<b>415 777</b>	<b>415 777</b>	<b>459 783</b>	<b>418 365</b>	<b>324 296</b>	<b>226 867</b>

0 - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		(9)	(12 190)	20 090	49 500	-	-	24 531	52 947	55 383	57 930
Service charges		(4 785)	44 022	133 234	307 044	-	-	29 346	315 883	330 413	345 612
Other revenue		(48)	9 148	19 736	25 830	581 781	581 781	31 376	466 599	23 530	24 612
Transfers and Subsidies - Operational	1	(95 244)	(102 816)	102 998	69 370	-	-	246 221	100 976	103 443	111 264
Transfers and Subsidies - Capital	1	-	11 899	104 449	74 871	-	-	47 585	52 463	63 867	66 492
Interest		(1)	7	32	-	-	-	56	1 440	1 251	1 309
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(179 029)	(173 821)	(260 764)	(467 994)	(570 458)	(570 458)	(180 079)	(769 240)	(594 468)	(621 814)
Interest		7 374	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(271 744)</b>	<b>(223 751)</b>	<b>119 775</b>	<b>58 621</b>	<b>11 323</b>	<b>11 323</b>	<b>199 035</b>	<b>221 067</b>	<b>(16 580)</b>	<b>(14 594)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	(14)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	(14 429)	(74 050)	-	-	7 418	(88 974)	(29 958)	(13 752)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(14)</b>	<b>(14 429)</b>	<b>(74 050)</b>	<b>-</b>	<b>-</b>	<b>7 418</b>	<b>(88 974)</b>	<b>(29 958)</b>	<b>(13 752)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(271 744)</b>	<b>(223 764)</b>	<b>105 346</b>	<b>(15 429)</b>	<b>11 323</b>	<b>11 323</b>	<b>206 453</b>	<b>132 092</b>	<b>(46 538)</b>	<b>(28 346)</b>
Cash/cash equivalents at the year begin:	2	(3 265)	5 064	3 765	924	996	996	996	(130 769)	1 323	(45 215)
Cash/cash equivalents at the year end:	2	(275 009)	(218 700)	109 111	(14 505)	12 319	12 319	207 449	1 323	(45 215)	(73 561)

0 - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(275 009)	(218 700)	109 111	(14 505)	12 319	12 319	207 449	1 323	(45 215)	(73 561)
Other current investments > 90 days		277 643	220 019	(96 906)	(24 530)	(69 009)	(69 009)	(168 321)	(126 262)	(149 498)	(175 586)
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2 634</b>	<b>1 318</b>	<b>12 205</b>	<b>(39 034)</b>	<b>(56 690)</b>	<b>(56 690)</b>	<b>39 128</b>	<b>(124 939)</b>	<b>(194 713)</b>	<b>(249 147)</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		2 052	-	-	-	-	-	18 893	13 269	13 269	13 269
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	354 084	481 052	632 722	459 726	605 384	605 384	659 076	373 948	495 891	479 411
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>356 135</b>	<b>481 052</b>	<b>632 722</b>	<b>459 726</b>	<b>605 384</b>	<b>605 384</b>	<b>677 969</b>	<b>387 217</b>	<b>509 160</b>	<b>492 680</b>
<b>Surplus(shortfall)</b>		<b>(353 502)</b>	<b>(479 733)</b>	<b>(620 516)</b>	<b>(498 761)</b>	<b>(662 075)</b>	<b>(662 075)</b>	<b>(638 841)</b>	<b>(512 156)</b>	<b>(703 873)</b>	<b>(741 827)</b>

0 - Table A9 Asset Management

R thousand	Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
						Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>CAPITAL EXPENDITURE</b>											
1	<b>Total New Assets</b>					44 788	52 320	52 320	45 414	11 030	13 252
	Roads Infrastructure					-	6 581	6 581	-	-	-
	Storm water Infrastructure					-	-	-	-	-	-
	Electrical Infrastructure					3 517	3 517	3 517	11 846	8 275	10 467
	Water Supply Infrastructure					36 584	30 192	30 192	12 261	-	-
	Sanitation Infrastructure					4 288	4 288	4 288	1 000	-	-
	Solid Waste Infrastructure					-	-	-	-	-	-
	Rail Infrastructure					-	-	-	-	-	-
	Coastal Infrastructure					-	-	-	-	-	-
	Information and Communication Infrastructure					-	-	-	-	-	-
	Infrastructure					44 388	44 678	44 678	28 559	8 275	10 467
	Community Facilities					-	-	-	9 210	-	-
	Sport and Recreation Facilities					-	-	-	-	-	-
	Community Assets					-	-	-	-	-	-
	Heritage Assets					-	-	-	-	-	-
	Revenue Generating					-	-	-	-	-	-
	Non-revenue Generating					-	-	-	-	-	-
	Investment properties					-	-	-	-	-	-
	Operational Buildings					90	120	120	-	-	-
	Housing					-	-	-	-	-	-
	Other Assets					90	120	120	-	-	-
	Biological or Cultivated Assets					-	-	-	-	-	-
	Services					-	-	-	-	-	-
	Licences and Rights					-	-	-	-	-	-
	Intangible Assets					-	-	-	-	-	-
	Computer Equipment					160	140	140	3 264	2 630	2 650
	Furniture and Office Equipment					20	10	10	386	50	50
	Machinery and Equipment					100	100	100	4 538	75	85
	Transport Assets					-	7 332	7 332	3 180	-	-
	Land					-	-	-	-	-	-
	Zoo's, Marine and Non-biological Animals					-	-	-	-	-	-
	Mature					-	-	-	-	-	-
	Immature					-	-	-	-	-	-
	Living Resources					-	-	-	-	-	-
2	<b>Total Renewal of Existing Assets</b>					11 209	11 209	11 209	2 743	-	-
	Roads Infrastructure					-	-	-	-	-	-
	Storm water Infrastructure					-	-	-	-	-	-
	Electrical Infrastructure					-	-	-	-	-	-
	Water Supply Infrastructure					11 209	11 209	11 209	2 000	-	-
	Sanitation Infrastructure					-	-	-	-	-	-
	Solid Waste Infrastructure					-	-	-	-	-	-
	Rail Infrastructure					-	-	-	-	-	-
	Coastal Infrastructure					-	-	-	-	-	-
	Information and Communication Infrastructure					-	-	-	-	-	-
	Infrastructure					11 209	11 209	11 209	2 000	-	-
	Community Facilities					-	-	-	-	-	-
	Sport and Recreation Facilities					-	-	-	-	-	-
	Community Assets					-	-	-	-	-	-
	Heritage Assets					-	-	-	-	-	-
	Revenue Generating					-	-	-	-	-	-
	Non-revenue Generating					-	-	-	-	-	-
	Investment properties					-	-	-	-	-	-
	Operational Buildings					-	-	-	-	-	-
	Housing					-	-	-	-	-	-
	Other Assets					-	-	-	-	-	-
	Biological or Cultivated Assets					-	-	-	-	-	-
	Services					-	-	-	-	-	-
	Licences and Rights					-	-	-	-	-	-
	Intangible Assets					-	-	-	-	-	-
	Computer Equipment					-	-	-	-	-	-
	Furniture and Office Equipment					-	-	-	-	-	-
	Machinery and Equipment					-	-	-	-	-	-
	Transport Assets					-	-	-	-	-	-
	Land					-	-	-	-	-	-
	Zoo's, Marine and Non-biological Animals					-	-	-	-	-	-
	Mature					-	-	-	-	-	-
	Immature					-	-	-	-	-	-
	Living Resources					-	-	-	-	-	-
6	<b>Total Upgrading of Existing Assets</b>					18 083	13 133	13 133	40 817	18 928	500
	Roads Infrastructure					-	-	-	-	-	-
	Storm water Infrastructure					4 676	166	166	1 597	-	-
	Electrical Infrastructure					-	-	-	-	-	-
	Water Supply Infrastructure					3 000	-	-	2 400	-	-
	Sanitation Infrastructure					3 791	10 567	10 567	18 428	18 428	-
	Solid Waste Infrastructure					-	-	-	-	-	-
	Rail Infrastructure					-	-	-	-	-	-
	Coastal Infrastructure					-	-	-	-	-	-
	Information and Communication Infrastructure					-	-	-	-	-	-
	Infrastructure					11 467	10 733	10 733	33 957	18 428	-
	Community Facilities					-	-	-	-	-	-
	Sport and Recreation Facilities					6 816	2 400	2 400	-	-	-
	Community Assets					-	-	-	-	-	-
	Heritage Assets					6 816	2 400	2 400	6 250	-	-
	Revenue Generating					-	-	-	-	-	-
	Non-revenue Generating					-	-	-	-	-	-
	Investment properties					-	-	-	-	-	-
	Operational Buildings					-	-	-	-	-	-
	Housing					-	-	-	570	500	500
	Other Assets					-	-	-	-	-	-
	Biological or Cultivated Assets					-	-	-	-	-	-
	Services					-	-	-	-	-	-
	Licences and Rights					-	-	-	-	-	-
	Intangible Assets					-	-	-	-	-	-
	Computer Equipment					-	-	-	-	-	-
	Furniture and Office Equipment					-	-	-	-	-	-
	Machinery and Equipment					-	-	-	-	-	-
	Transport Assets					-	-	-	-	-	-
	Land					-	-	-	-	-	-
	Zoo's, Marine and Non-biological Animals					-	-	-	-	-	-
	Mature					-	-	-	-	-	-
	Immature					-	-	-	-	-	-
	Living Resources					-	-	-	-	-	-
4	<b>Total Capital Expenditure</b>					74 050	76 661	76 661	88 974	29 958	13 752
	Roads Infrastructure					-	-	-	-	-	-
	Storm water Infrastructure					4 676	166	166	1 597	-	-
	Electrical Infrastructure					-	-	-	-	-	-
	Water Supply Infrastructure					50 752	41 401	41 401	25 853	18 428	-
	Sanitation Infrastructure					3 717	10 567	10 567	18 428	18 428	-
	Solid Waste Infrastructure					4 288	4 288	4 288	1 000	-	-
	Rail Infrastructure					-	-	-	-	-	-
	Coastal Infrastructure					-	-	-	-	-	-
	Information and Communication Infrastructure					-	-	-	-	-	-
	Infrastructure					67 064	66 558	66 558	61 558	26 703	10 467
	Community Facilities					-	-	-	-	-	-
	Sport and Recreation Facilities					6 816	2 400	2 400	15 460	-	-
	Community Assets					6 816	2 400	2 400	15 460	-	-
	Heritage Assets					-	-	-	-	-	-
	Revenue Generating					-	-	-	-	-	-
	Non-revenue Generating					-	-	-	-	-	-
	Investment properties					-	-	-	-	-	-
	Operational Buildings					90	120	120	570	500	500
	Housing					-	-	-	-	-	-
	Other Assets					90	120	120	570	500	500
	Biological or Cultivated Assets					-	-	-	-	-	-
	Services					-	-	-	-	-	-
	Licences and Rights					-	-	-	-	-	-
	Intangible Assets					-	-	-	-	-	-
	Computer Equipment					160	140	140	3 264	2 630	2 650
	Furniture and Office Equipment					20	10	10	386	50	50
	Machinery and Equipment					100	100	100	4 538	75	85
	Transport Assets					-	7 332	7 332	3 180	-	-
	Land					-	-	-	-	-	-
	Zoo's, Marine and Non-biological Animals					-	-	-	-	-	-
	Mature					-	-	-	-	-	-
	Immature					-	-	-	-	-	-
	Living Resources					-	-	-	-	-	-
5	<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>					74 050	76 661	76 661	88 974	29 958	13 752
5	<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>					1 083 485	1 071 234	1 023 693	1 086 166	1 033 470	1 005 097
	Roads Infrastructure					(162 418)	(277 613)	(324 853)	(273 033)	(329 159)	(371 126)
	Storm water Infrastructure					-	-	-	(5 299)	(9 809)	(8 378)
	Electrical Infrastructure					-	-	-	3 517	3 517	(18 812)
	Water Supply Infrastructure					1 088 307	1 131 752	1 144 336	1 161 276	1 154 468	1 138 920
	Sanitation Infrastructure					(44 604)					

0 - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Informal Settlements</b>										
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		680	-	5 364	7 543	6 127	6 127	5 328	5 573	5 830
Sanitation (free sanitation service to indigent households)		-	-	9 684	10 731	12 727	12 727	12 502	11 576	12 109
Electricity/other energy (50kwh per indigent household per month)		4	-	11 781	5 811	1 942	1 942	1 688	1 766	1 847
Refuse (removed once a week for indigent households)		-	-	7 839	22 440	7 153	7 153	6 220	6 506	6 805
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8	684	-	34 668	46 525	27 949	27 949	25 739	25 421	26 591
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		2 309	-	3 309	7 041	(221)	(221)	(221)	(231)	(242)
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
<b>Total revenue cost of subsidised services provided</b>		2 309	-	3 309	7 041	(221)	(221)	(221)	(231)	(242)

## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 OVERVIEW OF ANNUAL BUDGET PROCESS**

The Budget process usually starts in September after the approval of a timetable to guide the preparation of the 2024/25 to 2026/27 Operating and Capital Budgets.

The timetable provides broad time limits for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments, business, and labour, during April/May 2024. The main aim of the timetable was to ensure that an IDP and a balanced Budget are tabled in May 2024.

The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget is aligned.

The draft budget is to be considered by the Budget Steering Committee under the direction of the mayor. The Budget Steering Committee consist of the Mayor, the Chairperson of the Budget and Treasury Standing Committee, the Municipal Manager, and senior officials. The primary aims of the Committee are to ensure that:

- The budget compilation process complies with legislation.
- There is proper alignment between the service delivery priorities as set out in the municipality's IDP and the Budget, considering the need to maintain the financial sustainability of the Municipality.
- The Municipality's revenue and tariff determination strategies generate sufficient cash resources to deliver services; and
- The various spending priorities of the different municipal directorates are rigorously evaluated and prioritised in the allocation of resources.

### **IDP & Budget Timetable 2024/25**

The preparation of the 2024/25 IDP and Budget were guided by the following schedule of key deadlines as approved by to be approved by Council.

<b>Activity</b>	<b>Date</b>
IDP/Budget Schedule approved by Council	August 2023
Tabling of draft IDP and Budget in Council	March 2024
Public Participation	April to May 2024
Final adoption of IDP and Budget by Council	May 2024

### **2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP, in accordance with the Municipal Systems Act, was guided and informed by the following principles:

- Achievement of the five strategic priorities of the municipality.
- Focusing on service delivery backlogs and the maintenance of infrastructure.
- Addressing community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2024/25 Operating and Capital Budgets were prepared in accordance with the IDP.

The key strategic focus areas of the IDP are as follows:

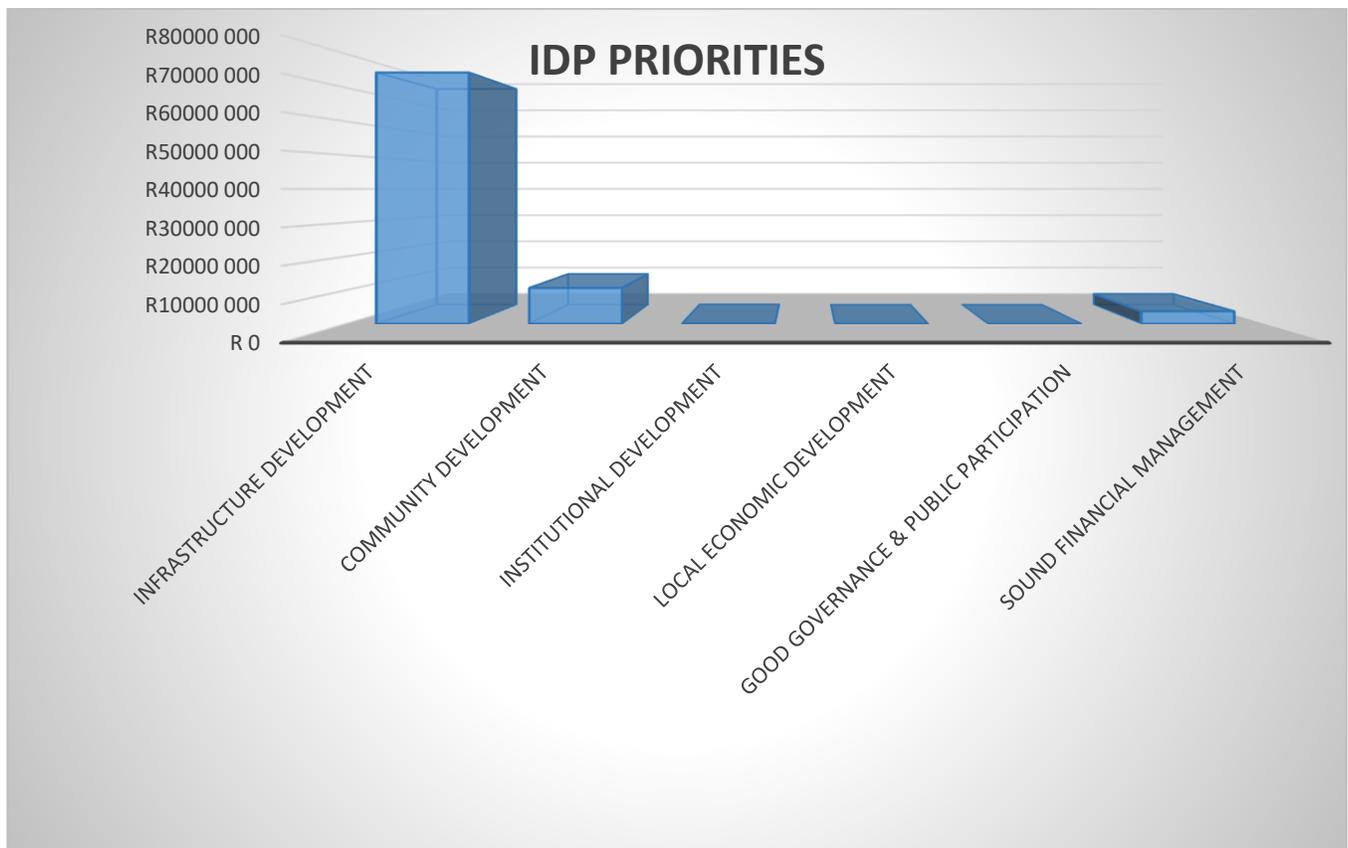
- Municipal transformation and development
- Service delivery and infrastructure development.
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The budget consultation process will take the form of a series of meetings to be held throughout the municipal area with the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings will be referred to the relevant Directorates for their attention.

Below is a table, which illustrates the link between the Budget and the IDP.

**BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES**

	INFRASTRUCTURE DEVELOPMENT	COMMUNITY DEVELOPMENT	INSTITUTIONAL DEVELOPMENT	LOCAL ECONOMIC DEVELOPMENT	BACK TO BASICS		TOTAL
					GOOD GOVERNANCE & PUBLIC PARTICIPATION	SOUND FINANCIAL MANAGEMENT	
CAPITAL EXPENDITURE	R74 494 454	R10 640 000	R110 000	R0	R0	R3 730 000	R88 974 454



## **2.3 OVERVIEW OF BUDGET RELATED POLICIES**

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

All budget related policies have been reviewed and/or developed. Policies will be workshopped extensively with Council and Top Management and will further be workshopped with all relevant stakeholders.

The following policies are now in place:

- |  |   |                              |
|--|---|------------------------------|
| • Credit control and debt collection           | - | workshopped, to be reviewed. |
| • Tariff policy                                | - | workshopped, to be reviewed. |
| • Supply Chain policy                          | - | workshopped, to be reviewed. |
| • SCM Infrastructure Procurement               | - | workshopped, to be reviewed. |
| • Asset management policy                      | - | workshopped, to be reviewed. |
| • Subsistence and Travel policy                | - | workshopped, to be reviewed. |
| • Cash management, banking & investment policy | - | workshopped, to be reviewed. |
| • Budget policy                                | - | workshopped, to be reviewed. |
| • Virement policy                              | - | workshopped, to be reviewed. |
| • Funding and reserve policy                   | - | workshopped, to be reviewed. |
| • Borrowing policy                             | - | workshopped, to be reviewed. |
| • Rates policy                                 | - | workshopped, to be reviewed. |
| • Indigent support policy                      | - | workshopped, to be reviewed. |
| • Cost containment policy                      | - | workshopped, to be reviewed. |
| • Long term financial planning policy          | - | workshopped, to be reviewed. |

The following by-laws were developed and will be promulgated once all legislative processes have been concluded:

- Tariff by-law.
- Credit control and debt collection by-law.
- Rates by-law

## **2.4 OVERVIEW OF BUDGET ASSUMPTIONS**

The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases. The Municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- Raising of loan funding should be considered to address critical needs.
- No growth in revenue sources has been provided for in view of current consumption trends in municipal services.

- Restructuring of major trade creditors over long term periods to ensure financial sustainability and a funded budget.
- Restructuring of tariffs to uniform tariffs and ensuring baseline tariff as per cost of supply study.
- Negative impact of load shedding on service delivery.

The Municipality faced the following significant challenges in preparing the 2024/25 – 2026/27. Budget:

- Fully implementing cost containment measures.
- Maintaining revenue collection rates at the targeted levels.
- Maintaining electricity and water losses at acceptable levels.
- Dealing with an unfunded budget of the past and measures to address this in the future.
- Different tariff structures in the different towns and converting this to uniform tariffs.
- Creditors inherited from former municipalities which is still placing financial strain on the cash flow and hence the restructuring of creditors over long term period.
- Introducing cost reflective tariffs
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Maintaining an acceptable cost coverage ratio.
- Impact of loadshedding on service delivery

The multi-year budget is therefore underpinned by the following assumptions:

	2024/25	2024/25	2024/25
<b>Income</b>	%	%	%
Tariff Increases for water	4.9	4.6	4.5
Tariff Increases for sanitation	4.9	4.6	4.5
Tariff Increases for refuse	4.9	4.6	4.5
Property rates increase.	0	4.6	4.5
Electricity tariff increase (on average)	10.85	10.95	10.92
Revenue collection rates	95	95	95
<b>Expenditure increases allowed</b>			
Salary increases	4.9	4.6	4.5
Increase in bulk purchase of electricity costs	12.72	4.6	4.5

## **2.5 OVERVIEW OF BUDGET FUNDING**

### **2.5.1 Medium-term outlook: operating revenue**

The following table provides a breakdown of operating revenue over the medium-term:

**Table 7 (Breakdown of the operating revenue over the medium-term)**

### **2.5.2 Medium-term outlook: capital revenue**

The following table provides a breakdown of the funding components of the 2024/25 medium-term capital programme:

**Table 8 (Sources of capital revenue over the MTREF)**

### **2.5.3 Medium-term outlook: Borrowing**

The municipality should consider raising loans for capital items required from own funds as well as buying vehicles instead of leasing.

### **2.5.4 Medium-term outlook: Working towards a funded budget.**

The municipality did not manage to table a funded budget. The unfunded budget is based on the following:

- Restructuring of debt owed to major creditors over long term period.
- Implementing cost reflective tariffs – phase 3 – Introduction and implementation of secondary tariffs

The municipality has addressed the following issues to ensure a positive move towards becoming financially sustainable:

- Replacing the faulty meters within all areas thus limiting losses and increasing revenue
- Standardising tariffs in all areas
- Calculating cost reflective tariffs and implementation thereof over 3 years
- Implementing a new valuation roll for Dr Beyers Naude with effect 1 July 2019
- Continuing to implement cost containment measures.

## **2.6 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY**

The municipality will be making the following allocations:

- SPCA - R20 000
- Pauper burials - R10 000

## 2.7 COUNCILLORS AND EMPLOYEE BENEFITS

### DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS

The following tables set out the allowances and employee benefits budgeted for the 2024/25 budget year:

The municipality has twenty-four (24) councillors, consisting of one fulltime Mayor, four EXCO Members also chairpersons of sec. 79 committees and one MPAC chairperson of which the allowances are set out in table below.

Grade	Councillor(s)	Number	Salary p/p	Allowance	Total remuneration
3	Mayor (full-time)	1	920 379	47 004	967 383
	Speaker (Full-time)	1	736304	47 004	783 308
	Exco Members (part time)	4	385 097	188 016	1 728 404
	S79 Committee Chairperson (part-time)	1	373 791	47 004	420 795
	Part-time Councillors	17	291 266	795 264	5 750 590
	<b>TOTAL</b>	<b>24</b>		<b>1 124 292</b>	

#### Senior Managers

Grade	Position	Number	Salary p/p	Allowance	Total
3	Municipal Manager	1	1 449 660	155 536	1 605 196
	Director Finance	1	1 184 979	136 633	1 321 612
	Director Corporate Services	1	1 187 717	134 666	1 322 383
	Acting Director Community Services	1			1 068 686
	Director Engineering and Planning	1	1 184 979	136 559	1 321 538
	<b>TOTAL</b>	<b>5</b>		<b>1 124 292</b>	<b>6 639 416</b>

## **2.8 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS –DIRECTORATES**

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

- (a) Monthly projections of
  - Revenue to be collected, by source; and
  - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Mayor is required to approve the SDBIP within 28 days after the approval of the budget. Furthermore, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, the Executive Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2024/25 financial year will be approved by the Mayor during June 2024, following the approval of the Budget.

## **2.9 LEGISLATION COMPLIANCE STATUS**

The following reflects the status of implementation of some of the key MFMA areas:

### IDP

A draft revised 2024/25 IDP has been developed, which will be considered at a Council meeting to be held in May 2023. The IDP includes specific deliverables that forms the basis for the Budget and SDBIP.

### Budget

The draft annual budget document has been developed taking the MFMA and National Treasury (NT) requirements into account. Budgets are being tabled and approved within the required legislated time limits.

### Annual Report

The Annual Report has been developed taking the MFMA and NT requirements into account. The 2022/23 Annual Report was tabled in January 2024.

### Oversight Report

The Municipal Public Accounts Committee has considered the 2022/23 Annual report. Its Oversight Report will be considered and approved at a Council meeting to be held on 25 March 2024.

### In-Year Reporting

The municipality submits the various reports required to the Mayor, Council, and NT on an ongoing basis, in accordance with the MFMA.

### Supply Chain Management Policy (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

All the required committee structures are in place. Whilst the municipality is working at making these new processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

### Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

### Audit Committee

An Audit Committee has been established and meets on a quarterly basis.

### Internal Audit Function

The Municipality's Internal Audit Function is performed in-house and reports to the Municipal Manager and is operating in accordance with an audit plan.

In relation to the 2024/25 financial year and beyond, the municipality plans to focus on the following high priority areas:

- Working towards an unqualified audit status.

### Internship Programme

The municipality has appointed five interns.

### Municipal Standard Chart of Accounts (mSCOA)

The municipality has made significant progress on compliance. Data strings are uploaded monthly, and a "green" status has been maintained. All legislative required information has been submitted. The municipality is continuously working on reaching full compliance. The budget schedules are generated from the financial system.

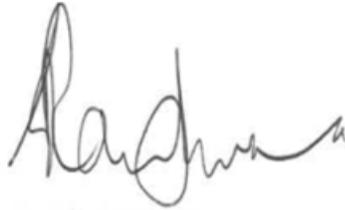
**2.10 MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

**Quality Certificate**

I, EDWARD MARTIN RANKWANA, Municipal Manager of Dr Beyers Naude Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : EDWARD MARTIN RANKWANA

MUNICIPAL MANAGER OF DR BEYERS NAUDE MUNICIPALITY (EC101)



Signature : \_\_\_\_\_

Date : 25 March 2024